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part

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20505
VIA LDX

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October 22, 1981

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MEMORANDUM FOR [REDACTED]

Executive Secretary
Central Intelligence Agency

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SUBJECT: Analysis of Ability of U.S./COCOM Oil/Gas Controls
to Impede Soviet Oil/Gas Production

The following is urgently required for high-level executive use:

A concise (three to five pages) analysis of the ability to impede Soviet oil/gas production by imposition of the Option I/II Oil and Gas Equipment and Technology Controls as defined in the existing Oil/Gas Options Paper. The assessment should focus on the probable net effect on Soviet oil/gas production (a) if the U.S. were successful in enlisting COCOM acceptance of such controls and (b) if the U.S. proceeds unilaterally, without COCOM cooperation.

Ideally, both assessments would provide estimates of the effects on production levels in terms of the percentage of production loss that would result and would translate these percentages to effects on the growth rate of the economy and to other difficulties and shortages that might result.

It is also important that the time frame over which the effects of the U.S./Western control actions would occur be defined. For example, since most Western exports aid drilling or exploration, there would probably be considerable lag between the imposition of controls and resultant effects on Soviet production.

Similarly, how long would Soviet production be impaired? Permanently? Or would they gradually overcome the loss of Western equipment and technology?

uninform: Sov side has not availed self of full opportunities availble - exploration & exs - would they?
I recognize the difficulties of providing this information. However, I am confident that your estimates will be very useful in establishing the rough orders of magnitude of the effects of alternative policies.

Your response by close of business, Tuesday, October 27, 1981, would be greatly appreciated. Please do not hesitate to call me for any further amplification that may be required.

Allen J. Lane
Allen J. Lane
Staff Director

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